



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
Division of Insurance

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**ALIEN SURPLUS LINES INSURER
ELIGIBILITY REQUIREMENTS IN TENNESSEE**

Surplus Lines insurers are governed by Tennessee Code Annotated Title 56, Chapter 14, which was amended on June 10, 2011 via Public Acts Chapter No. 446 (House Bill No. 966).

With regard to Alien surplus lines insurers*, Tenn. Code Ann. § 56-14-109(b)(2) states in part, "No unauthorized insurer shall be or become an eligible surplus lines insurer, unless... The unauthorized insurer is not a United States domiciled insurer but is listed by the NAIC International Insurers Department." [* The term "alien surplus lines insurer" is held to include Lloyd's syndicates on a per-syndicate basis]

Alien surplus lines insurers, upon being listed by the NAIC International Insurers Department, will be added to the list of Eligible Surplus Lines Insurers in the State of Tennessee without necessity of application for such. (The NAIC list is typically published four times per year.)

Alien surplus lines insurers that cease to be listed by NAIC International Insurers Department are subject to removal (without declaration, and without notification to insurer or agents) from the Tennessee Division of Insurance's listing as well.

In accordance with Tenn. Code Ann. § 56-14-109(c), if at any time the commissioner has reason to believe that any unauthorized insurer then on the list of eligible surplus lines insurers no longer meets conditions of eligibility, has willfully violated the laws of this state or does not conduct a proper claims practice, the commissioner may declare it ineligible.

As such, the alien surplus lines insurer will be subject to the annual review for determination of continuing eligibility, designated in Tenn. Code Ann. § 56-4-101(3). Filing requirements pursuant to the review may be found at: <http://www.tn.gov/commerce/insurance/documents/alienSLcontinuingeligibilityreview.pdf> .

In accordance with Tenn. Code Ann. § 56-14-105(d), the following kinds of insurance shall not be eligible for surplus lines insurance: (1) Primary personal automobile liability; (2) Surety; and (3) Workers' compensation, except as provided in § 56-14-105(a).